

CITY OF BALLARAT BUDGET 2014 - 2015

This document contains the 2014 – 2015 Strategic Resource Plan for the Ballarat City Council.

*Strategic
Resource Plan*

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Strategic resource plan and financial performance indicators

1 Plan Development

Council is required by the Act to prepare a Strategic Resource Plan covering both financial and non-financial resources, for at least the next four years to support the Council Plan. The Act also requires Council to comply with the following *Principles of Sound Financial Management*:

- Prudently manage financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate burden;
- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

The key objective, which underlines the development of the Strategic Resource Plan, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan.

Long Term Financial Strategy

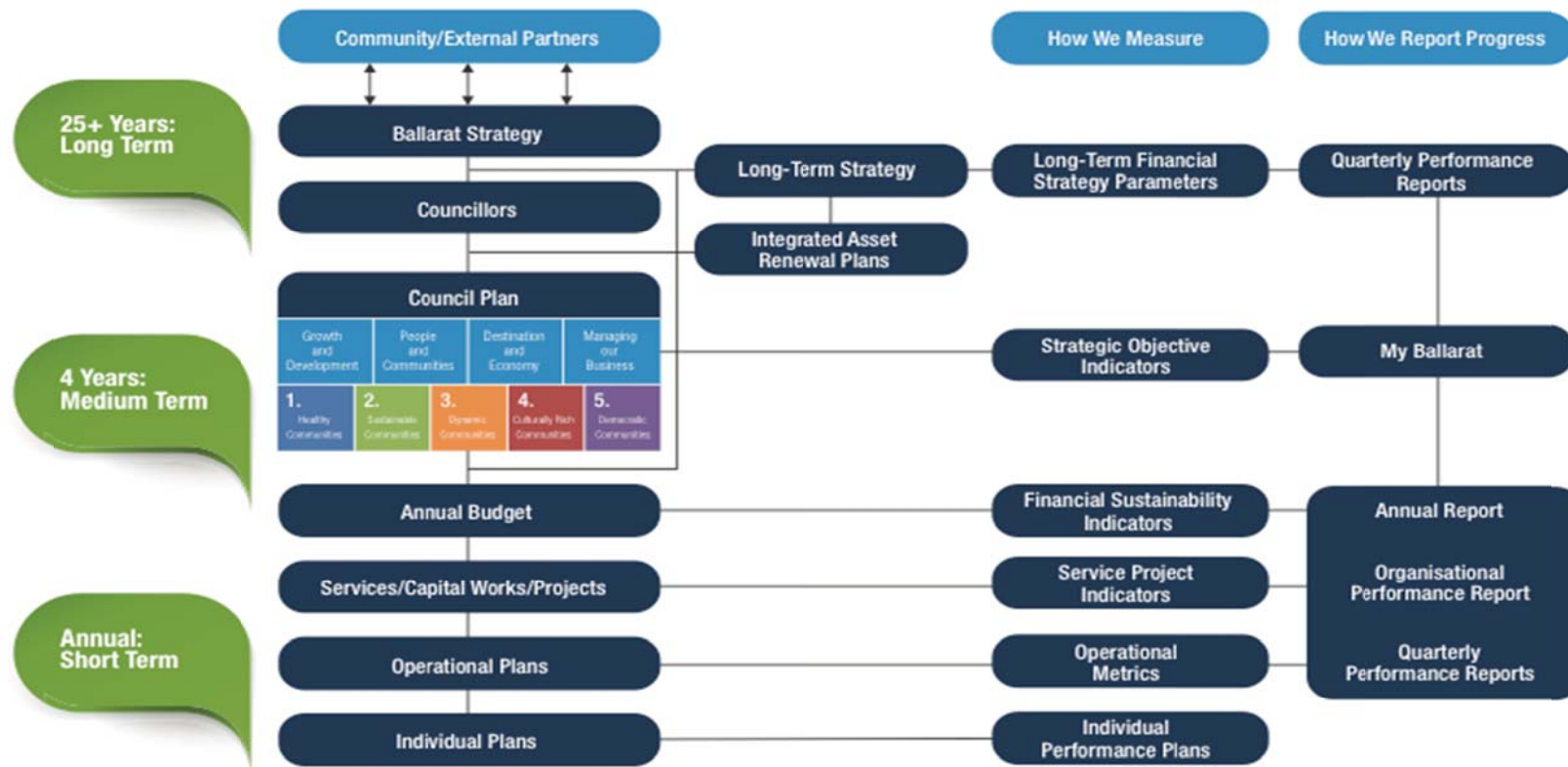
A key component of the Strategic Resource Plan is the Long Term Financial Strategy. Council models financial scenario over a 20 year period and incorporates this information into a four year Long Term Financial Strategy, being for the period 2014/15 to 2017/18, as part of Council's ongoing financial planning to assist Council in adopting a budget within a longer term framework.

The key objective, which underlines the development of the plan, is the financial stability in the medium to long term, whilst still achieving Council's corporate goals. The key financial objectives, which underpin the Long Term Financial Strategy, are:

- Improve infrastructure service levels
- Achieve Council's borrowing strategy.
- Maintain a positive operating result.
- Achieve spending levels on infrastructure that will reduce the infrastructure gap.
- Maintain a working a positive working capital ratio, greater than 125%.
- Maintain a total debt to revenue ratio of less than 150%.
- Maintain debt servicing costs to total revenue of less than 10%.
- Maintain a minimum cash level that will service Council activities free from using overdraft facilities.

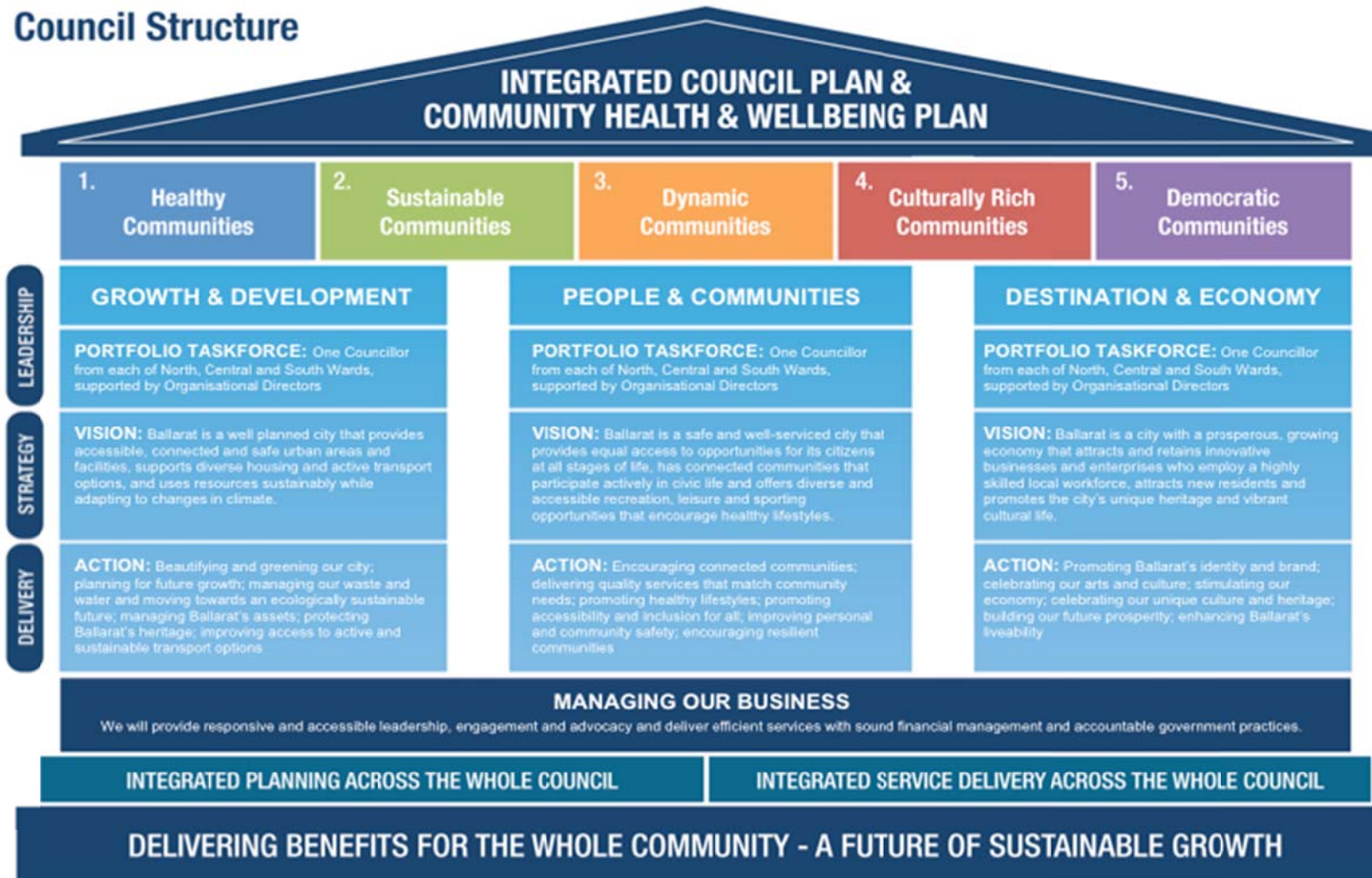
Council's planning framework is:

Council's Planning Framework



Council's Structure

Council Structure

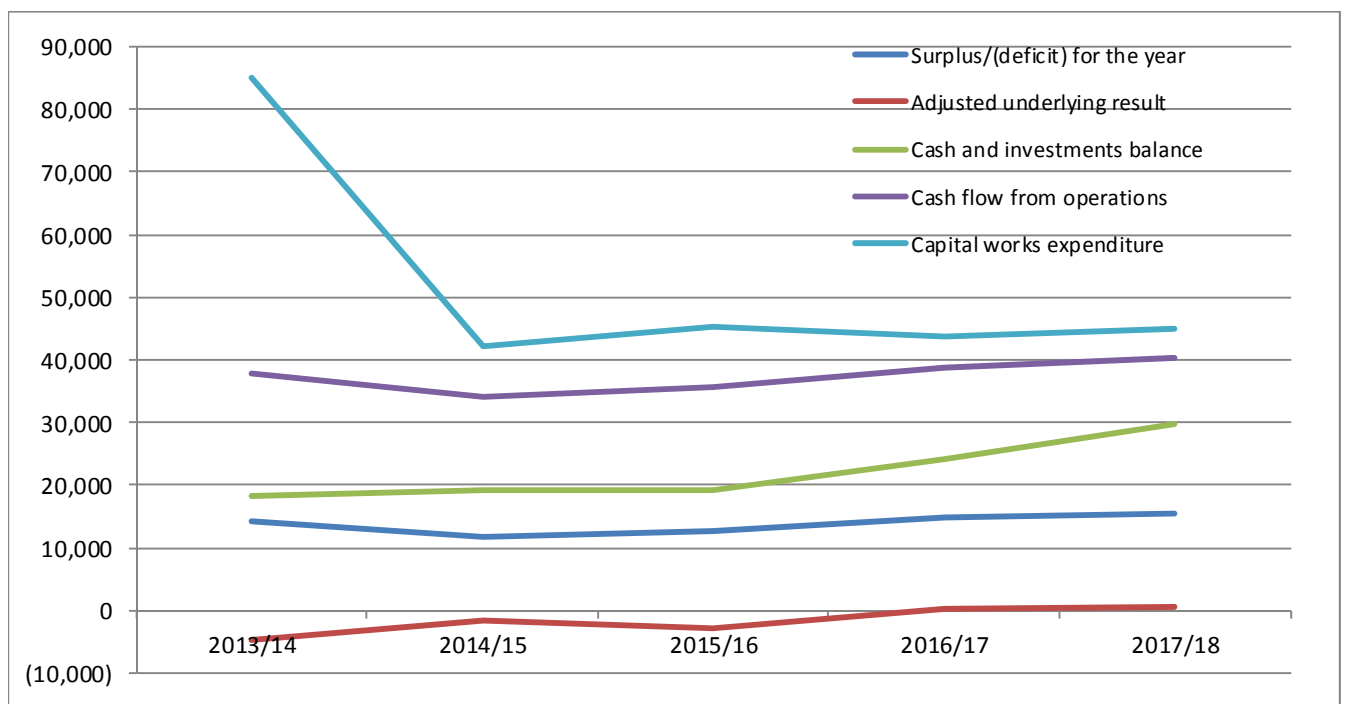


2 Financial Resources

The following table summarises the key financial results for the next four years as set out in the SRP for years 2014/15 to 2017/18. More detailed financial statements are included at the end of this document.

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Surplus/(deficit) for the year	14,155	11,888	12,725	14,759	15,446
Adjusted underlying result	(4,712)	(1,568)	(2,923)	385	578
Cash and investments balance	18,326	19,188	19,266	24,195	29,715
Cash flow from operations	37,963	34,135	35,805	38,689	40,241
Capital works expenditure	85,009	42,328	45,159	43,601	45,031

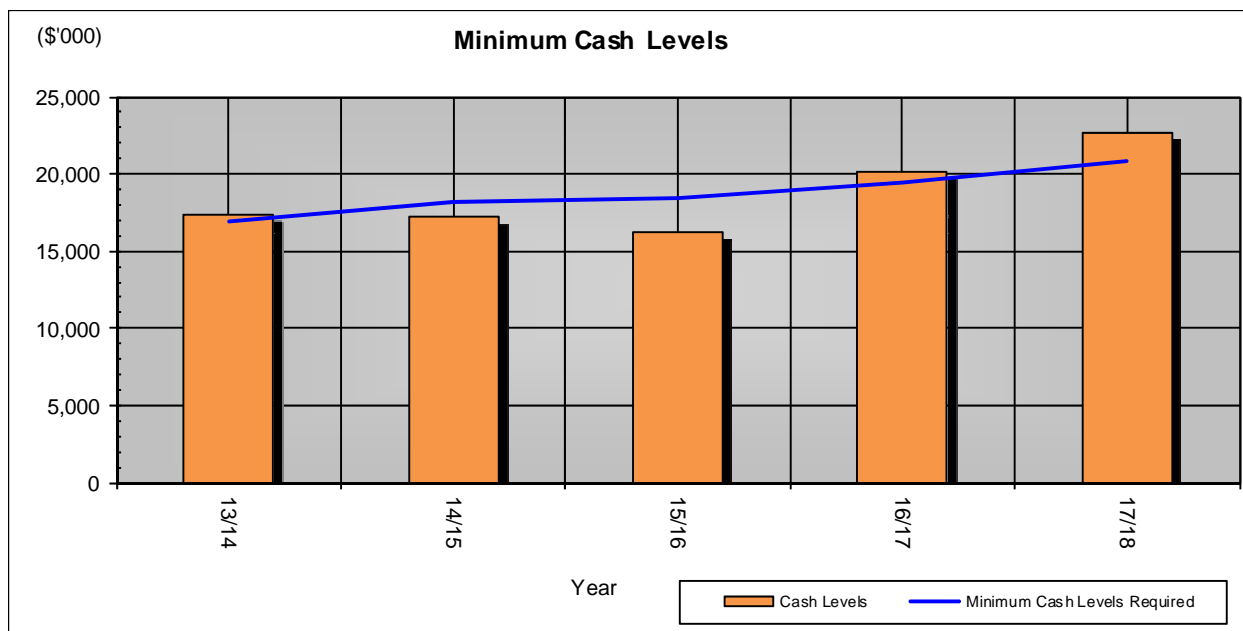
The following graph shows the general financial indicators over the four year period.



The key outcomes of the Strategic Resource Plan are:

Cash and Investments

This graph is used alongside the working capital ratios to ensure that Council’s financial strategy maintains sufficient cash to ensure financial stability. Council budgets ensure that there is sufficient cash available to operate efficiently each year. Council does not want to lower cash so that its overdraft facility is called upon to maintain operations until sufficient revenue is collected each year.



The graph illustrates that cash in the first years of Council’s term is lower than anticipated minimum cash levels. As part of Council’s infrastructure strategy of allocating more funds to both operational and capital infrastructure needs. This strategy has been put into place to deal with the infrastructure renewal gap that faces all of local government, and to deal with the extra growth currently being experienced in the Ballarat region.

Over the four (4) year term cash levels improve, this is taking into account funds being set aside each year for future calls of cash for the meeting of Council’s obligations in relation to the defined superannuation scheme. Council has a legislated obligation to ensure this funds is able to meet all its obligations. As such, Council has included in the long term financial strategy the payment of \$3 million every three (3) years. Should the funds not be required at the end of each three (3) year term then Council will then have additional funds to allocate towards appropriate funds.

Debt

This graph illustrates the level of Council's debt compared to the debt ceiling level as determined by the Victorian Government.

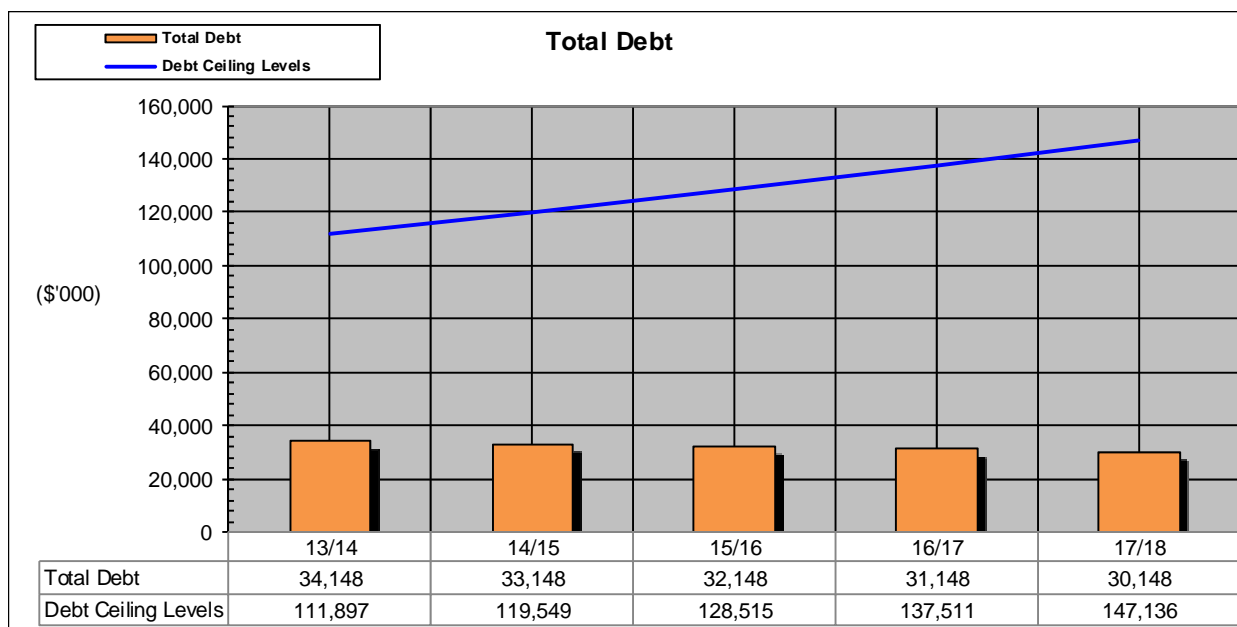
In 1996/97 the Council was burdened by the size of its debt within the level of debt being in excess of the debt ceiling level. Since that time successive Councils have implemented a debt reduction strategy to tackle this issue. Successive Councils maintained a debt reduction program to provide the ability to borrow in the future for either major projects and/or significant infrastructure works.

This Council determined the time was right to borrow funds for major projects. Council borrowed \$25 million during 2013/14 to provide funding for the Civic Hall and aquatic projects, including a 50m indoor heated swimming pool.

As can be seen Council debt after borrow these funds remains well under Councils debt ceiling level, also finance costs of this borrow also remains well within acceptable levels.

Council has modified its debt strategy leading into the future. Although Council maintains committed in the payment of \$1 million per year unless a business case is put forward for further borrowings, Council has determined that should surplus cash be achieved in any financial year, assuming the financial climate is favourable, the surplus cash will be allocated to the reducing debt levels further. Council will still be able to borrow back to the respective debt targets set for each year.

Based on the debt strategy of repaying debt at the rate of \$1 million per year, debt levels are:



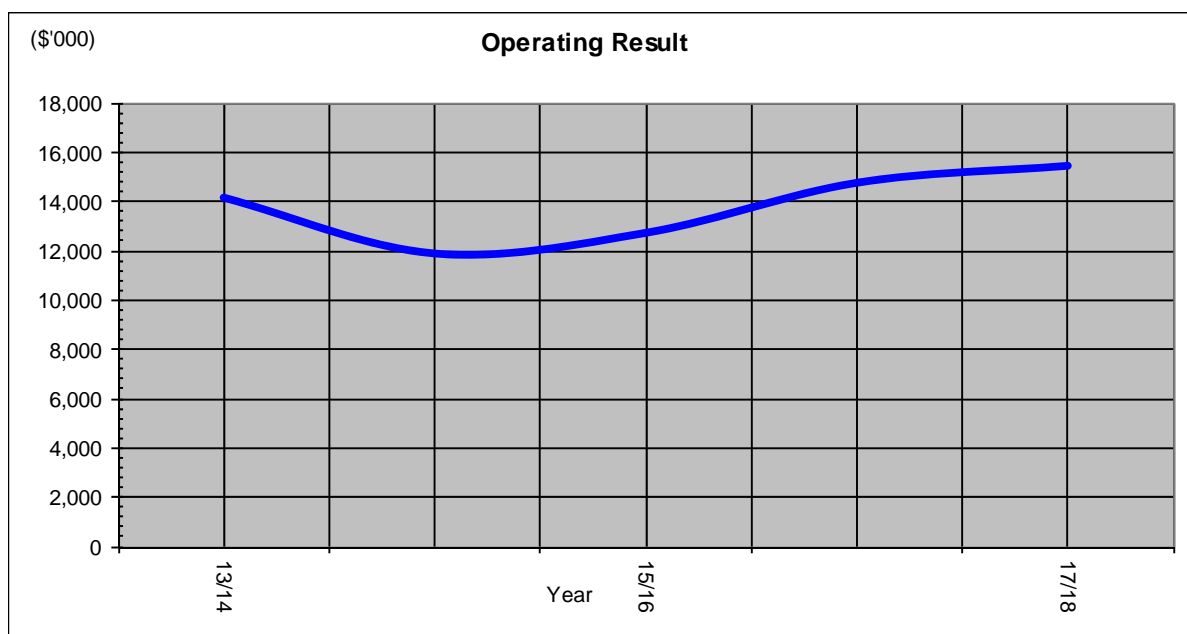
Operating Result

In the past the Council has struggled with delivering constant results in the budget, part due to the large fluctuations in rate increases, and the subsequent short term planning for the delivery of services. Council has acknowledged that attempting to hold down costs to an unreasonable level will only be a short term solution; history has shown that large increases follow. Council has adopted the strategy of modest increases over the life of the financial strategy, thus putting certainty into the financial operations.

After the record budget of 2013/14, the 2014/15 budget is focussing on the delivery of basic services and projects, focusing on the delivery of infrastructure projects, the delivery of more community based projects, and the increased expenditure on maintenance of Council’s assets.

The formulation of the operating budget included a 6.5% rate increase as signalled in 2013/14. Council has modified the rate increase in respect of the commercial rate. Following public submissions on the 2013/14 budget, and continued discussions with the commercial sector, Council has structured a ten (10) year plan to bring the commercial rate in line with other regional centres.

The operating result for the term of this strategic resource plan is set out in the following graph.

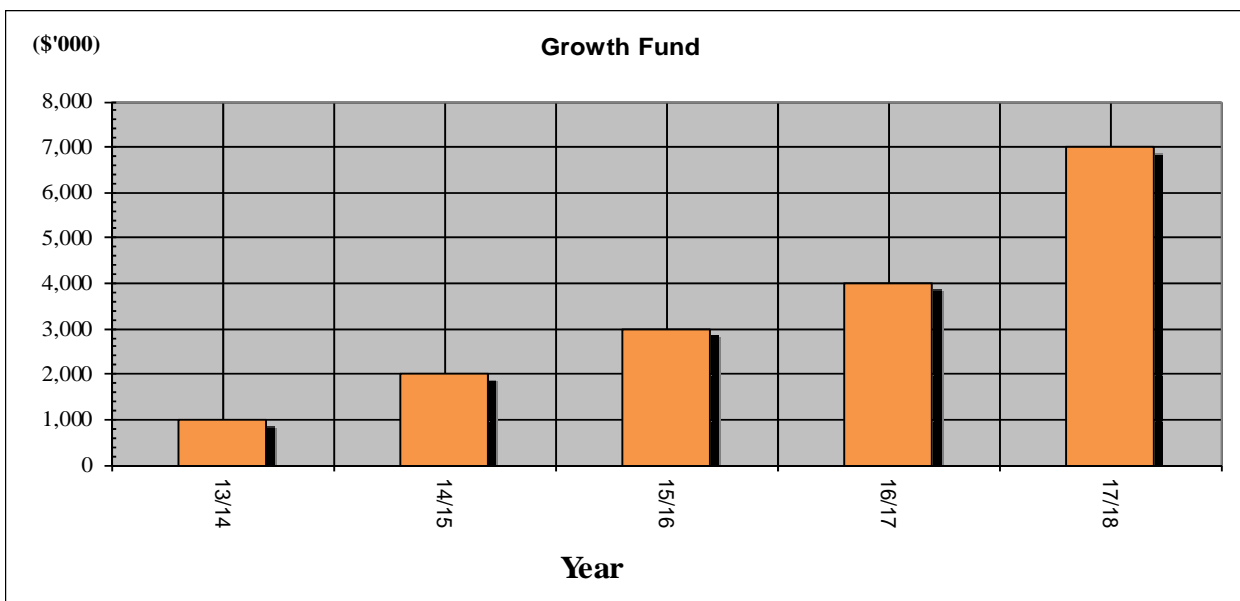
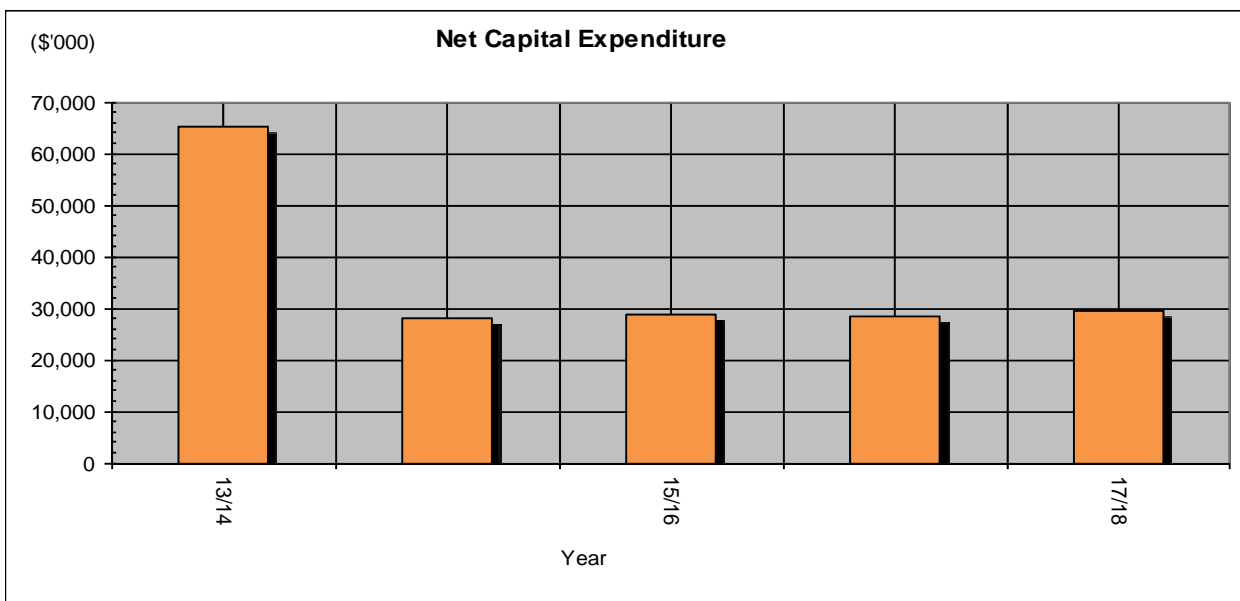


The debt in the operating performance seen in this graph illustrates the time lag between borrowing funds for major projects, and the allocating of additional funds for the maintenance of Council assets combined with the allocation of additional funds to deal with the infrastructure renewal gap, and the time when the additional funds are raised from the set rate increases. This lag in the operating result is similar to the dip in cash and investments and the subsequent recover in cash levels.

Capital Expenditure

Council is continuing the strategy of increasing funds to the capital works program. The combination of Council’s infrastructure gap and the need for new projects in the community has made this a cornerstone of the financial strategy.

Council has modified the Long Term Strategy for the 2014/15 year and onwards by providing more funding for capital works in recognition of the \$1.5 billion of assets that the Council is custodian for and the subsequent need to provide sufficient funding to maintain these assets. The increase in funds for capital works is signalled by the increase in net capital expenditure and monies provided for Councils “Growth Fund”.

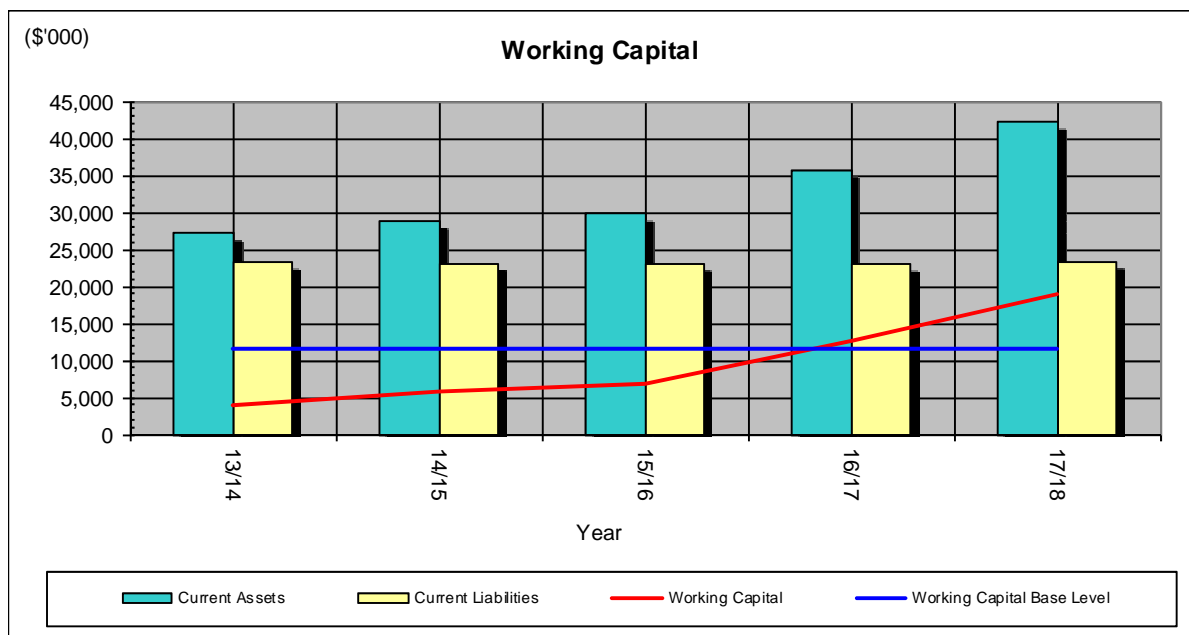


Working Capital

Within the financial strategy of Council, the principal parameters have been to reduce excess cash levels, minimise rate increases, and provide additional funds for capital projects. Though Council is forecasting to reduce cash levels, these levels will not be reduced to a level which will jeopardise the financial stability of the organisation.

As can be seen by the working capital graph, at all times Council has budgeted to maintain a healthy working capital level to ensure financial security into the future.

Council has planned for future increases in capital spend whilst ensuring financial stability into the future.



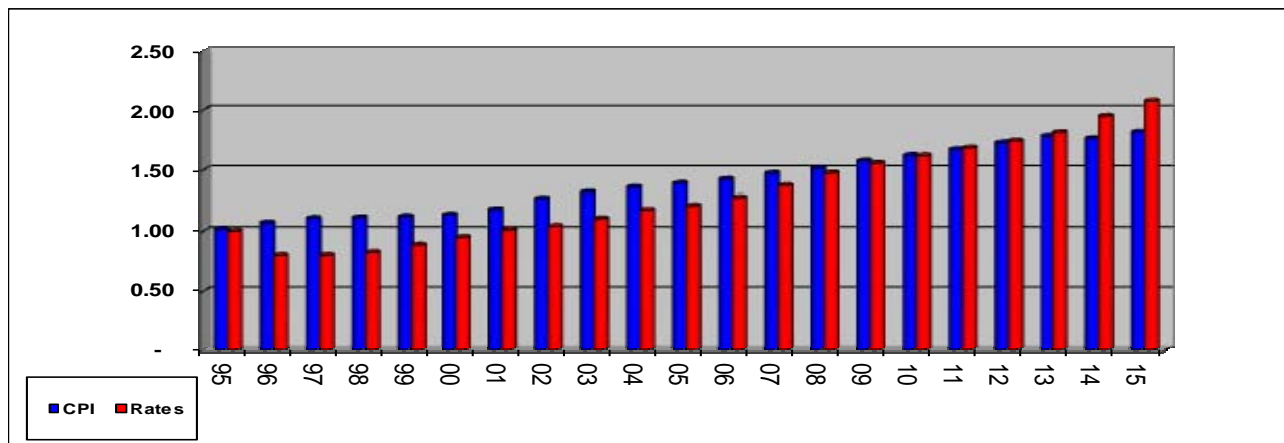
Rating Strategy

In developing the Long Term Financial Strategy, rates were identified as an important source of revenue, accounting for 56% of the total revenue received by Council in 2014/15. Planning for future rate increases has therefore been an important component of the Long Term Financial Planning process.

It is also important to balance the importance of rate revenue as a funding source with community sensitivity to further increases.

The following table shows a comparison since amalgamation of Councils in 1994 and predates the rates freeze and 20% across the board rate reduction it compares the actual rate movement against a calculated outcome, incorporating Consumer Price Index (CPI) movement:

Year	CPI Changes			Rate Changes		
	% Movement	Factor	Index Value	% Movement	Factor	Index Value
			1.00			1.00
95	1.90%	1.019	1.02	0.00%	1.000	1.00
96	5.00%	1.050	1.07	-20.00%	0.800	0.80
97	3.60%	1.036	1.11	0.00%	1.000	0.80
98	0.40%	1.004	1.11	3.10%	1.031	0.82
99	0.80%	1.008	1.12	7.50%	1.075	0.89
00	1.30%	1.013	1.14	7.00%	1.070	0.95
01	3.90%	1.039	1.18	6.50%	1.065	1.01
02	7.60%	1.076	1.27	3.00%	1.030	1.04
03	3.80%	1.038	1.32	6.00%	1.060	1.10
04	3.00%	1.030	1.36	6.50%	1.065	1.17
05	2.40%	1.024	1.39	3.00%	1.030	1.21
06	2.40%	1.024	1.42	5.50%	1.055	1.28
07	3.50%	1.035	1.47	7.50%	1.075	1.37
08	2.75%	1.028	1.51	7.50%	1.075	1.48
09	4.10%	1.041	1.58	5.50%	1.055	1.56
10	2.90%	1.029	1.62	4.00%	1.040	1.62
11	3.00%	1.030	1.67	4.00%	1.040	1.68
12	3.30%	1.033	1.73	3.50%	1.035	1.74
13	3.10%	1.031	1.78	4.00%	1.040	1.81
14	2.05%	1.021	1.76	7.50%	1.075	1.95
15	2.05%	1.021	1.82	5.50%	1.055	2.06



The table and graph provides the history of rate increases and inflation rates for each year since 1994.

The significant drop in rate increases in 1995/96 was a result of the State Government initiative to reduce rates by 20%.

Current year rate increase

The 2014/15 rate increase was signalled in Council's plan set down in 2013/14. The increase for this year and the next three (3) years are:

2014/15	6.5%	Revised to 5.5%
2015/16	6.0%	
2016/17	5.5%	
2017/18	5.5%	

Rating structure

Council's rating structure is comprised of two elements. These are:

- Property values, which reflect capacity to pay; and
- User pays component to reflect usage of services provided by Council.

Council makes an additional distinction within the property value component of rates based on the purpose for which the property is used. The distinction is based on the concept the individual sections should pay a fair and equitable contribution to rates.

The existing rating structure comprises differential rates (Residential, Commercial, Industrial, Rural Residential, Recreation Land, and Farming Land) and a rate concession for recreational land.

As set down in the Ministerial rating guidelines, Council reviewed the differential rates, considering the relevance of all categories, including the need for a differential rate for Retirement Villages.

Council has decided to maintain the current rating structure, Council has varied the future rate increases for commercial rates. Recognising that this rate was out of portion with the remaining differential rates, Council has set down a ten (10) year strategy to bring these rates in line with other regional centres.

The ration of commercial rates to the residential rate has been forecast to be reduced as follows:

Year	Commercial to Residential rate	Year	Commercial to Residential rate
13/14	2.57	19/20	2.29
14/15	2.52	20/21	2.25
15/16	2.47	21/22	2.21
16/17	2.43	22/23	2.16
17/18	2.38	23/24	2.12
18/19	2.34	24/25	2.08

Infrastructure Strategy

This strategy will set down the requirements for the next 10 years for each class of assets and is a key input into the Long Term Financial Plan. The key aspects of the process are:

- Long term capital planning process which integrates with the Council Plan, Long Term Financial Plan and /annual Budget process;
- Listing of all known capital projects, prioritised within classes on the basis of evaluation criteria;
- Transparent process for evaluating and prioritising capital projects;
- Methodology for allocating annual funding to classes of capital projects;
- Business Case template for officers to document capital project submissions.

The ultimate aim of this strategy is to ensure that resident's infrastructure needs will be properly funded and met into the future. Council in conjunction with the Municipal Association of Victoria (MAV) has completed extensive asset management plans for each class of asset for the Council. These plans will enhance Council's infrastructure strategy to assist with decision making to determine future levels of funding required for asset renewal and also to assist in determining where the expenditure of those funds will maximise the outcome to the community for the funds available.

During the 2005-06 budget process the Council commissioned work to determine the infrastructure renewal gap (IRG). Though Council is allocating additional funds to deal with the issue of the IRG, there still exists a short fall of funds required. As part of Council's rating strategy additional funds will be raised to meet these needs. From 2013/14 onwards Council budgeted to provide appropriate levels of funding that will meet Council's infrastructure renewal needs.

In relation to maintenance levels, Council is allocating additional funds each year to combat the maintenance levels. The appropriate levels will not be achieved in year 1 however; by providing additional funding each year it is expected Council will meet this need over the next five years.

A key objective of the Infrastructure Strategy is to maintain and preserve those assets that are required to deliver Council's services to the community. If sufficient funds are not allocated to assets preservation then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Employee Resources

The City of Ballarat currently employs 582.06 equivalent full time (EFT) staff.

With the development of a sound recruitment and selection policy and practices, Council now needs to change the focus to identifying its future recruitment and development needs to ensure it can effectively meet an unpredictable and unseen future.

As the labour shortages impact further on Council, an emphasis will be placed on more targeted recruitment programs including a graduate development program. Further, Council will be developing strategies to address the ageing workforce, succession planning and attraction and retention of skilled employees.

Council will focus on increasing its status of an employer of choice through implementing social responsibility and health and wellbeing programs as well as promoting flexible modes of employment and diversity in the workplace.

With the ageing population affecting the Australian workforce, Council needs to concentrate on labour force planning to minimise the potential impact of retiring staff creating further skill shortages. A greater emphasis needs to be placed on recruiting and developing future leaders through structured graduate recruitment programs and ensuring development of careers through succession planning.

As a regional location the City of Ballarat needs to raise the awareness of the diverse employment streams it offers through its multidiscipline career options. Council needs to be seen in the community marketing the benefits of working for local government through career fairs, on-campus information sessions, its website content for prospective employees, print and electronic branding and through promoting its flexible work practices.

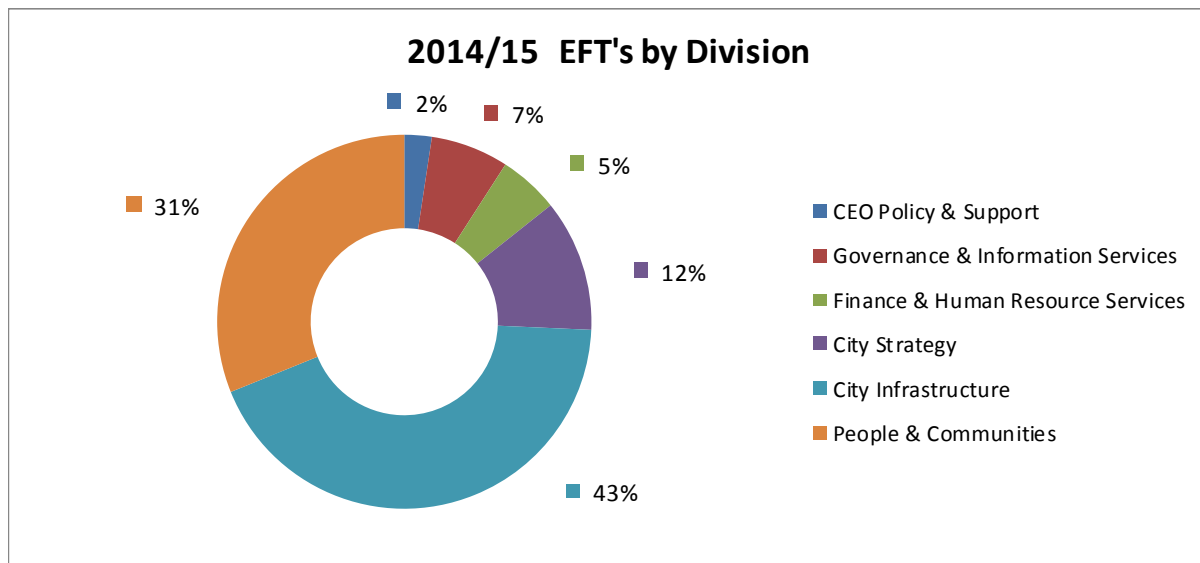
The key to ensuring the successful recruitment, development and retention of resources in the future is workforce planning and ensuring Council's place in the market as an Employer of Choice is established now.

The following table summarises the number (EFT) and costs of employees over the next four years.

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Staffing Costs					
- Operating	50,189	54,044	59,896	59,741	62,728
- Capital	1,128	1,179	1,238	1,300	1,365
Employee numbers (eft)	582.06	592.29	600.58	608.99	617.52

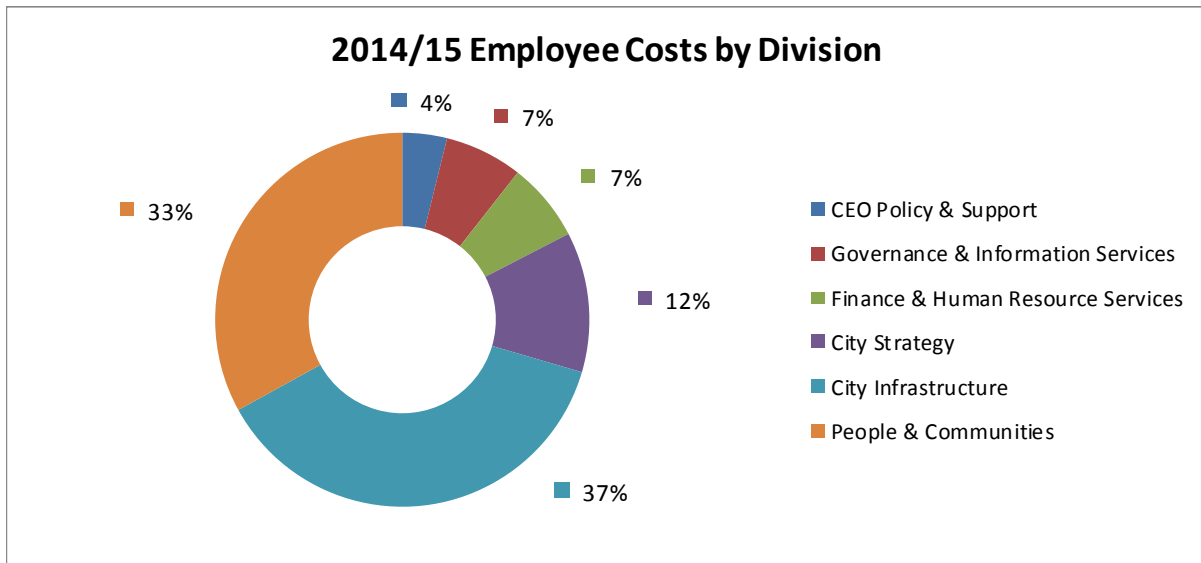
The following tables and graph sets out the total eft's by divisions:

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Total Employee numbers (eft)					
CEO Policy & Support	14.42	14.00	14	14	15
Governance & Information Services	40.15	39.90	40	41	42
Finance & Human Resource Services	29.62	30.80	31	32	32
City Strategy	66.92	67.44	68	69	70
City Infrastructure	250.27	255.82	259	263	267
People & Communities	180.68	184.33	187	190	192
	582.06	592.29	600.58	608.99	617.52



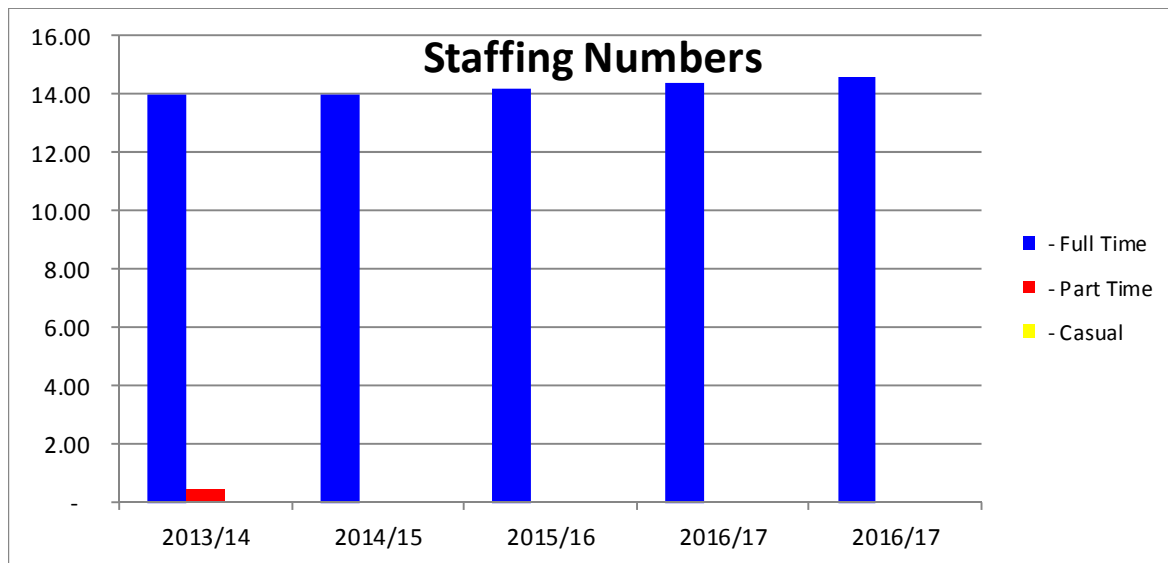
The following table and graph set out the total employee costs by division:

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Total Employee Costs					
CEO Policy & Support	2,094	2,128	2,234	2,346	2,463
Governance & Information Services	3,586	3,719	3,905	4,100	4,305
Finance & Human Resource Services	2,873	3,768	3,956	4,154	4,362
City Strategy	6,291	6,692	7,027	7,378	7,747
City Infrastructure	18,953	20,682	21,716	22,802	23,942
People & Communities	17,520	18,235	19,147	20,104	21,109
	51,317.00	55,224.00	57,985.20	60,884.46	63,928.68

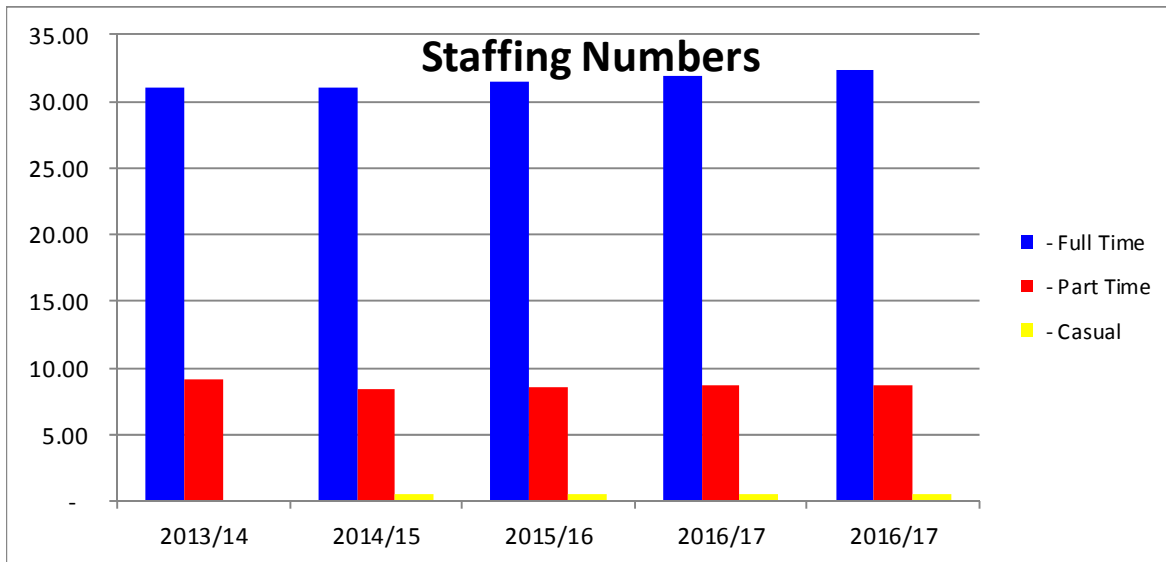


The following tables breaks down staffing numbers and cost by divisions.

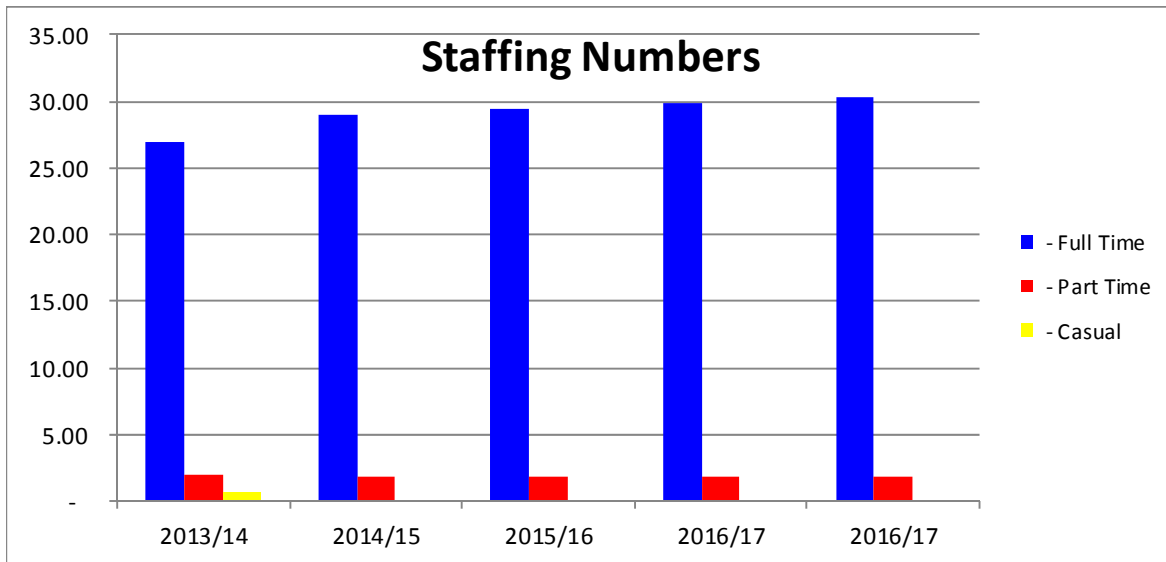
CEO Policy & Support					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	14.00	14.00	14.20	14.39	14.60
- Part Time	0.42	-	-	-	-
- Casual	-	-	-	-	-
Total Employee numbers (eft)	14.42	14.00	14.20	14.39	14.60
Staffing Costs	2,094	2,128	2,234	2,346	2,463



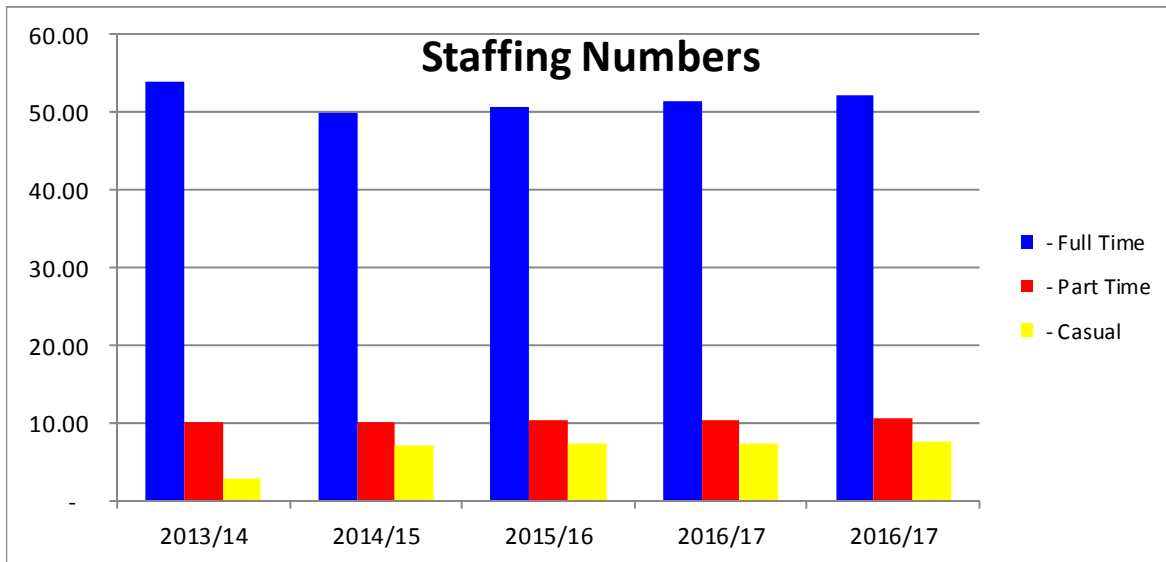
Governance & Information Services					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	31.00	31.00	31.43	31.87	32.32
- Part Time	9.15	8.40	8.52	8.64	8.76
- Casual	-	0.50	0.51	0.51	0.52
Total Employee numbers (eft)	40.15	39.90	40.46	41.03	41.60
Staffing Costs	3,586	3,719	3,905	4,100	4,305



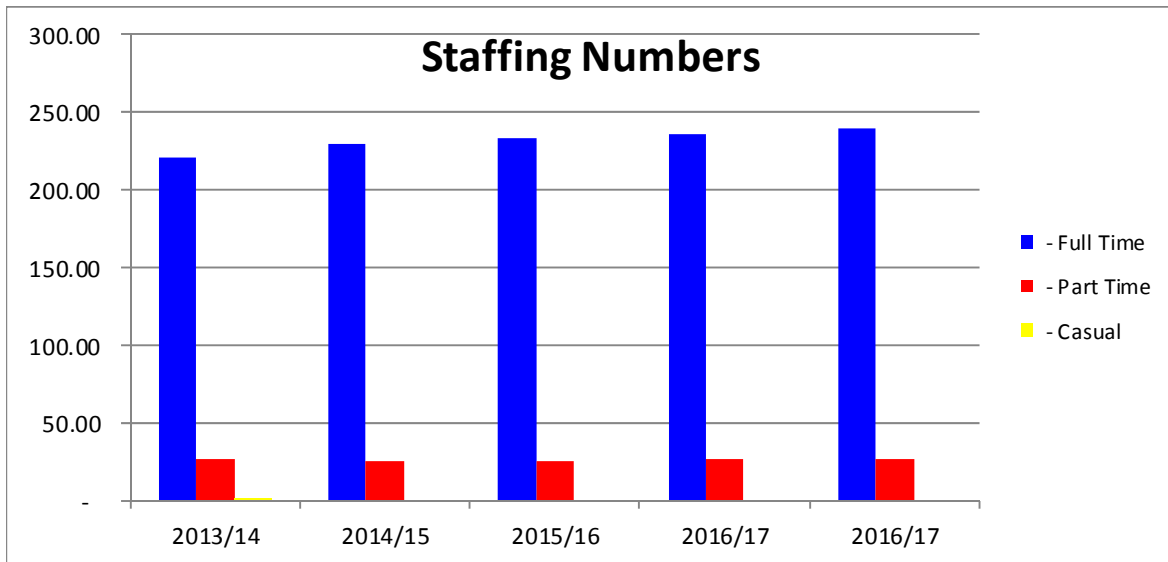
Finance & Human Resource Services					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	27.00	29.00	29.41	29.82	30.24
- Part Time	1.98	1.80	1.83	1.85	1.88
- Casual	0.64	-	-	-	-
Total Employee numbers (eft)	29.62	30.80	31.23	31.67	32.11
Staffing Costs	2,873	3,768	3,956	4,154	4,362



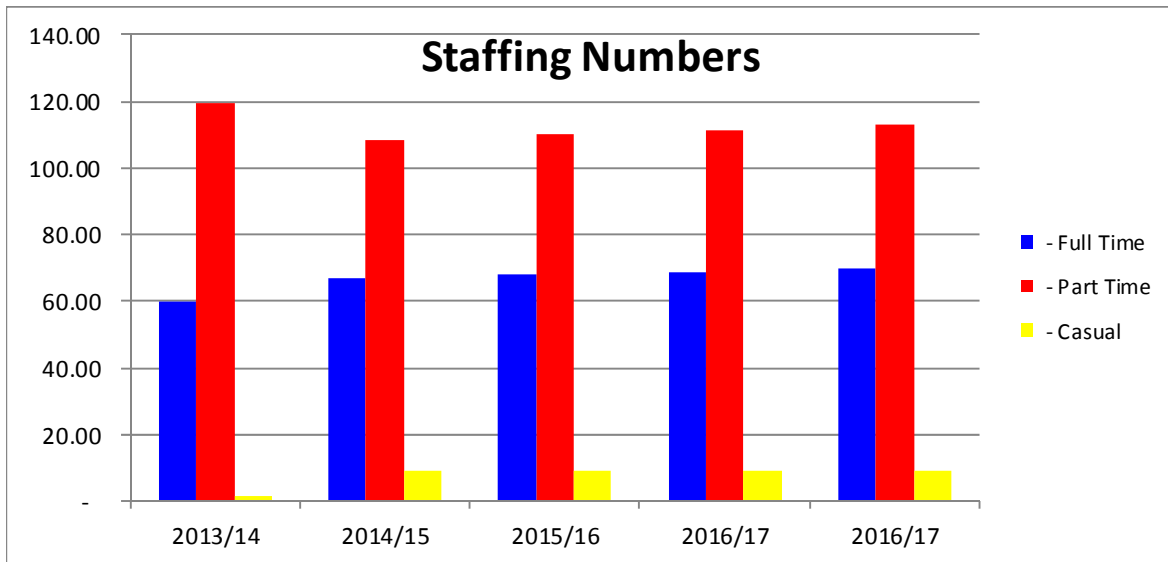
City Strategy	Forecast				
	Actual	Budget	Strategic Resource Plan		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	54.00	50.00	50.70	51.41	52.13
- Part Time	10.13	10.19	10.33	10.48	10.62
- Casual	2.79	7.25	7.35	7.45	7.56
Total Employee numbers (eft)	66.92	67.44	68.38	69.34	70.31
Staffing Costs	6,291	6,692	7,027	7,378	7,747



City Infrastructure					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	221.00	230.00	233.22	236.49	239.80
- Part Time	27.49	25.82	26.18	26.55	26.92
- Casual	1.78	-	-	-	-
Total Employee numbers (eft)	250.27	255.82	259.40	263.03	266.72
Staffing Costs	18,953	20,682	21,716	22,802	23,942



People & Communities					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2016/17
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Employee numbers (eft)					
- Full Time	60.00	67.00	67.94	68.89	69.85
- Part Time	119.37	108.43	109.95	111.49	113.05
- Casual	1.31	8.90	9.02	9.15	9.28
Total Employee numbers (eft)	180.68	184.33	186.91	189.53	192.18
Staffing Costs	17,520	18,235	19,147	20,104	21,109



Budgeted Comprehensive Income Statement					
For the four years ending 30 June 2018					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Income					
Rates and charges	74,598	79,699	85,676	91,674	98,091
User fees, charges and fines	36,031	38,226	39,755	41,345	42,999
Contributions - cash	550	550	567	583	601
Grants - recurrent	16,886	22,289	22,958	23,646	24,356
Reimbursements	948	391	391	391	391
Interest income	1,285	916	859	813	1,010
Net gain on disposal of property, infrastructure, plant and equipment	470	0	0	0	0
Total income	130,768	142,071	150,206	158,453	167,448
Expenses					
Employee benefits	50,189	54,044	59,896	59,741	62,728
Materials and services	46,834	49,752	51,877	55,421	59,642
Bad and doubtful debts	646	636	655	675	695
Depreciation and amortisation	31,393	32,649	33,955	35,313	36,726
Finance costs	1,225	1,835	1,881	1,908	1,918
Other expenses	5,193	4,723	4,865	5,011	5,161
Total expenses	135,480	143,639	153,129	158,069	166,869
Surplus/(deficit)	(4,712)	(1,568)	(2,923)	385	578
Other comprehensive income					
Contributions - non-monetary assets	11,000	11,440	11,898	12,374	12,868
Grants - non-recurrent	7,867	2,016	3,750	2,000	2,000
Total comprehensive result	14,155	11,888	12,725	14,759	15,446

Budgeted Balance Sheet					
For the four years ending 30 June 2018					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Current Assets					
Cash	18,326	19,187	19,266	24,195	29,715
Receivables	7,851	8,648	9,506	10,421	11,402
Other	1,040	1,040	1,040	1,040	1,040
Total Current Assets	27,217	28,875	29,812	35,657	42,158
Current Liabilities					
Creditors	6,130	6,130	6,130	6,130	6,130
Other Creditors	2,357	2,357	2,357	2,357	2,357
Borrowings	4,655	4,524	4,401	4,388	4,709
Provisions	10,121	10,121	10,121	10,121	10,121
Total Current Liabilities	23,263	23,132	23,009	22,996	23,317
Net Current Assets	3,954	5,743	6,803	12,661	18,841
Non-Current Assets					
Capital Assets	1,440,528	1,449,757	1,460,546	1,468,459	1,476,404
Receivables	246	246	246	246	246
Investments	0	0	0	0	0
Total Non-Current Assets	1,440,774	1,450,003	1,460,792	1,468,705	1,476,650
Non-Current Liabilities					
Borrowings	29,493	28,624	27,746	26,760	25,439
Provisions	2,878	2,878	2,878	2,878	2,878
Total Non-Current Liabilities	32,371	31,502	30,624	29,638	28,317
Net Assets	1,412,357	1,424,245	1,436,970	1,451,728	1,467,174
Accumulated Surplus	773,546	785,434	798,159	812,917	828,363
Other Reserves	407	407	407	407	407
Asset Revaluation Reserve	638,404	638,404	638,404	638,404	638,404
Total Equity	1,412,357	1,424,245	1,436,970	1,451,728	1,467,174

Budgeted Statement of Changes in Equity				
For the four years ending 30 June 2018				
	Total	Accumulated Surplus	Revaluation Reserve	Other Reserve
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2015				
Balance at beginning of the financial year	1,412,357	773,546	638,404	407
Adjustment on change in accounting policy	0	0	0	0
Comprehensive result	11,888	11,888	0	0
Transfer to reserves	(270)	0	0	(270)
Transfer from reserves	270	0	0	270
Balance at end of the financial year	1,424,245	785,434	638,404	407
2016				
Balance at beginning of the financial year	1,424,245	785,434	638,404	407
Adjustment on change in accounting policy	0	0	0	0
Comprehensive result	12,725	12,725	0	0
Transfer to reserves	(281)	0	0	(281)
Transfer from reserves	281	0	0	281
Balance at end of the financial year	1,436,970	798,159	638,404	407
2017				
Balance at beginning of the financial year	1,436,970	798,159	638,404	407
Adjustment on change in accounting policy	0	0	0	0
Comprehensive result	14,759	14,759	0	0
Transfer to reserves	(292)	0	0	(292)
Transfer from reserves	292	0	0	292
Balance at end of the financial year	1,451,728	812,917	638,404	407
2018				
Balance at beginning of the financial year	1,451,728	812,917	638,404	407
Adjustment on change in accounting policy	(1)	(1)	0	0
Comprehensive result	15,446	15,446	0	0
Transfer to reserves	(304)	0	0	(304)
Transfer from reserves	304	0	0	304
Balance at end of the financial year	1,467,174	828,363	638,404	407

Budgeted Statement of Cash Flows					
For the four years ending 30 June 2018					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash Flows from Operating Activities					
Receipts					
General Rates	75,114	78,902	84,819	90,757	97,110
Government Grants	24,753	24,305	26,708	25,646	26,356
User Charges	37,529	38,226	39,755	41,345	42,999
Net GST Refund	0	0	0	0	0
Interest	1,285	916	859	813	1,010
Reimbursements	948	391	391	391	391
Other revenue	550	550	567	583	601
	140,179	143,290	153,098	159,536	168,467
Payments					
Employee costs	(50,189)	(55,223)	(61,134)	(61,041)	(64,093)
Materials and contracts	(46,834)	(48,573)	(50,639)	(54,121)	(58,277)
Interest and other costs of finance	0	0	0	0	0
Other expenses	(5,193)	(5,359)	(5,520)	(5,685)	(5,856)
	(102,216)	(109,155)	(117,293)	(120,847)	(128,226)
Net Cash Flows from Operating Activities	37,963	34,135	35,805	38,689	40,241
Cash Flow from Investing Activities					
Payments for:					
Capital Payments	(74,009)	(30,888)	(33,261)	(31,227)	(32,163)
Loans and Advances	0	0	0	0	0
Proceeds from:					
Sale of Assets	940	450	415	375	360
Investments	0	0	0	0	0
Loans and Advances	0	0	0	0	0
Net Cash Flow from Investing Activities	(73,069)	(30,438)	(32,846)	(30,852)	(31,803)
Cash Flow from Financing Activities					
Proceeds from borrowings	29,145	3,655	3,524	3,401	3,388
Repayment of superannuation liability	0	0	0	0	0
Repayment of borrowings	(4,236)	(4,655)	(4,524)	(4,401)	(4,388)
Interest and other costs of finance	(1,225)	(1,835)	(1,881)	(1,908)	(1,918)
Net Cash Flow from Financing Activities	23,684	(2,835)	(2,881)	(2,908)	(2,918)
Net Increase/(Decrease) in Cash Held	(11,422)	862	78	4,929	5,520
Cash at Beginning of Period	29,748	18,326	19,188	19,266	24,195
Cash at End of Period	18,326	19,188	19,266	24,195	29,715

Budgeted Statement of Capital Works					
For the four years ending 30 June 2018					
	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Capital Works Areas					
Buildings	12,801	0	3,555	0	0
Facilities	1,702	1,425	2,732	2,841	2,955
Infrastructure	33,605	29,585	28,429	30,338	31,347
Land	38	200	0	0	0
Plant & Equipment	8,924	6,296	5,429	5,207	5,305
Recreation	27,939	4,822	5,014	5,215	5,424
Total Capital Works	85,009	42,328	45,159	43,601	45,031
Represented By:					
New	50,049	14,656	14,268	14,793	15,338
Renewal	18,143	20,408	25,823	23,090	24,072
Upgrade	16,817	7,264	5,068	5,718	5,621
Total Capital Works	85,009	42,328	45,159	43,601	45,031

Summary of planned capital work expenditure and funding sources							
2014/15							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Buildings	Renewal	Her Majesty's Theatre Renewal	0	0	0	0	0
Buildings	Upgrade	Permanent Visitor Information Centre (VIC)	0	0	0	0	0
Facilities	Renewal	Facility Renewal Program	1,300	0	0	0	0
Facilities	Renewal	Monument Renewal Program	104	0	0	0	0
Facilities	Upgrade	School Crossing Supervisor Shelters	21	0	0	0	0
Facilities	Upgrade	Major Projects Facilities Budget	0	0	0	0	0
Infrastructure	New	Federal Blackspot Funding	1,000	1,000	0	0	0
Infrastructure	New	Land Development Council Contribution	78	0	0	0	0
Infrastructure	New	Major New Capital Road Projects	607	0	0	0	0
Infrastructure	New	Public Art Program	104	0	0	0	0
Infrastructure	New	Subdivision Contribution	11,440	0	0	11,440	0
Infrastructure	Renewal	Entrances	156	0	0	0	0
Infrastructure	Renewal	Federal Roads to Recovery Funding	1,000	1,000	0	0	0
Infrastructure	Renewal	Major Infrastructure Renewal Projects	10,645	0	0	0	0
Infrastructure	Renewal	Major Rural Roads Infrastructure Works	1,188	0	0	0	0
Infrastructure	Renewal	Street Furniture Renewal Program	156	0	0	0	0
Infrastructure	Upgrade	Landfill Upgrade	3,000	0	0	0	0
Infrastructure	Upgrade	Public Place Recycling	10	0	0	0	0
Infrastructure	Upgrade	Sturt Street Irrigation Upgrade	100	0	0	0	0
Infrastructure	Upgrade	Victoria Street Median Landscaping Project	100	0	0	0	0
Land	New	Land - Arch of Victory	200	0	0	0	0
Plant & Equipment	New	Library Books	361	0	0	0	0
Plant & Equipment	New	Library - Equity - Book Stock	236	0	0	0	0
Plant & Equipment	New	RFID Implementation - Ballarat Libraries	391	0	0	0	0
Plant & Equipment	Renewal	BAC Programmable Assets & Equipment	83	0	0	0	0
Plant & Equipment	Renewal	Desktop Replacement Program	421	0	0	0	0
Plant & Equipment	Renewal	Home Care Service hand held pPC replacement program	50	0	0	0	0
Plant & Equipment	Renewal	IT Infrastructure Strategy	437	0	0	0	0
Plant & Equipment	Renewal	Outdoor Pools	130	0	0	0	0
Plant & Equipment	Renewal	Parking Meter Replacement Program	62	0	0	0	0
Plant & Equipment	Renewal	Playground Improvement Program	42	0	0	0	0
Plant & Equipment	Renewal	Replacement Bins Program	312	0	0	0	0
Plant & Equipment	Upgrade	Fleet	3,200	0	0	0	450
Plant & Equipment	Upgrade	IT System Development	573	0	0	0	0

2014/15							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Recreation	New	Bicycle Strategy Projects	239	0	0	0	0
Recreation	Renewal	Ballarat Botanical Gardens - Asset Renewal Program	52	0	0	0	0
Recreation	Renewal	Parks Development Program	270	0	270	0	0
Recreation	Renewal	Recreation Capital Improvement Program	4,000	0	0	0	0
Recreation	Upgrade	Playspace Planning Framework	260	0	0	0	0
			42,328	2,000	270	11,440	450

2015/16							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Buildings	Renewal	Her Majesty's Theatre Renewal	3,555	1,750	0	0	0
Facilities	Renewal	Facility Renewal Program	2,602	0	0	0	0
Facilities	Renewal	Monument Renewal Program	108	0	0	0	0
Facilities	Upgrade	School Crossing Supervisor Shelters	22	0	0	0	0
Facilities	Upgrade	Major Projects Facilities Budget	0	0	0	0	0
Infrastructure	New	Federal Blackspot Funding	1,000	1,000	0	0	0
Infrastructure	New	Land Development Council Contribution	81	0	0	0	0
Infrastructure	New	Major New Capital Road Projects	500	0	0	0	0
Infrastructure	New	Public Art Program	108	0	0	0	0
Infrastructure	New	Subdivision Contribution	11,898	0	0	11,898	0
Infrastructure	Renewal	Entrances	162	0	0	0	0
Infrastructure	Renewal	Federal Roads to Recovery Funding	1,000	1,000	0	0	0
Infrastructure	Renewal	Major Infrastructure Renewal Projects	11,071	0	0	0	0
Infrastructure	Renewal	Major Rural Roads Infrastructure Works	1,235	0	0	0	0
Infrastructure	Renewal	Street Furniture Renewal Program	162	0	0	0	0
Infrastructure	Upgrade	Landfill Upgrade	1,000	0	0	0	0
Infrastructure	Upgrade	Public Place Recycling	11	0	0	0	0
Infrastructure	Upgrade	Sturt Street Irrigation Upgrade	100	0	0	0	0
Infrastructure	Upgrade	Victoria Street Median Landscaping Project	100	0	0	0	0
Plant & Equipment	New	Library Books	371	0	0	0	0
Plant & Equipment	New	RFID Implementation - Ballarat Libraries	61	0	0	0	0
Plant & Equipment	Renewal	BAC Programmable Assets & Equipment	87	0	0	0	0
Plant & Equipment	Renewal	Desktop Replacement Program	384	0	0	0	0
Plant & Equipment	Renewal	Home Care Service hand held pPC replacement program	50	0	0	0	0
Plant & Equipment	Renewal	IT Infrastructure Strategy	344	0	0	0	0
Plant & Equipment	Renewal	Outdoor Pools	135	0	0	0	0
Plant & Equipment	Renewal	Parking Meter Replacement Program	65	0	0	0	0
Plant & Equipment	Renewal	Playground Improvement Program	43	0	0	0	0
Plant & Equipment	Renewal	Replacement Bins Program	324	0	0	0	0
Plant & Equipment	Upgrade	Fleet	2,769	0	0	0	415
Plant & Equipment	Upgrade	IT System Development	796	0	0	0	0

2015/16							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Recreation	New	Bicycle Strategy Projects	249	0	0	0	0
Recreation	Renewal	Ballarat Botanical Gardens - Asset Renewal Program	54	0	0	0	0
Recreation	Renewal	Parks Development Program	281	0	281	0	0
Recreation	Renewal	Recreation Capital Improvement Program	4,160	0	0	0	0
Recreation	Upgrade	Playspace Planning Framework	270	0	0	0	0
			45,158	3,750	281	11,898	415

2016/17							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Facilities	Renewal	Facility Renewal Program	2,706	0	0	0	0
Facilities	Renewal	Monument Renewal Program	112	0	0	0	0
Facilities	Upgrade	School Crossing Supervisor Shelters	22	0	0	0	0
Facilities	Upgrade	Major Projects Facilities Budget	0	0	0	0	0
Infrastructure	New	Federal Blackspot Funding	1,000	1,000	0	0	0
Infrastructure	New	Land Development Council Contribution	84	0	0	0	0
Infrastructure	New	Major New Capital Road Projects	520	0	0	0	0
Infrastructure	New	Public Art Program	112	0	0	0	0
Infrastructure	New	Subdivision Contribution	12,374	0	0	12,374	0
Infrastructure	Renewal	Entrances	169	0	0	0	0
Infrastructure	Renewal	Federal Roads to Recovery Funding	1,000	1,000	0	0	0
Infrastructure	Renewal	Major Infrastructure Renewal Projects	11,514	0	0	0	0
Infrastructure	Renewal	Major Rural Roads Infrastructure Works	1,285	0	0	0	0
Infrastructure	Renewal	Street Furniture Renewal Program	169	0	0	0	0
Infrastructure	Upgrade	Landfill Upgrade	2,000	0	0	0	0
Infrastructure	Upgrade	Public Place Recycling	11	0	0	0	0
Infrastructure	Upgrade	Victoria Street Median Landscaping Project	100	0	0	0	0
Plant & Equipment	New	Library Books	382	0	0	0	0
Plant & Equipment	New	RFID Implementation - Ballarat Libraries	61	0	0	0	0
Plant & Equipment	Renewal	BAC Programmable Assets & Equipment	90	0	0	0	0
Plant & Equipment	Renewal	Desktop Replacement Program	413	0	0	0	0
Plant & Equipment	Renewal	Home Care Service hand held pPC replacement program	50	0	0	0	0
Plant & Equipment	Renewal	IT Infrastructure Strategy	318	0	0	0	0
Plant & Equipment	Renewal	Outdoor Pools	141	0	0	0	0
Plant & Equipment	Renewal	Parking Meter Replacement Program	67	0	0	0	0
Plant & Equipment	Renewal	Playground Improvement Program	45	0	0	0	0
Plant & Equipment	Renewal	Replacement Bins Program	337	0	0	0	0
Plant & Equipment	Upgrade	Fleet	2,483	0	0	0	375
Plant & Equipment	Upgrade	IT System Development	820	0	0	0	0

2016/17							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Recreation	New	Bicycle Strategy Projects	259	0	0	0	0
Recreation	Renewal	Ballarat Botanical Gardens - Asset Renewal Program	56	0	0	0	0
Recreation	Renewal	Parks Development Program	292	0	292	0	0
Recreation	Renewal	Recreation Capital Improvement Program	4,326	0	0	0	0
Recreation	Upgrade	Playspace Planning Framework	281	0	0	0	0
			43,599	2,000	292	12,374	375

2017/18							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Facilities	Renewal	Facility Renewal Program	2,814	0	0	0	0
Facilities	Renewal	Monument Renewal Program	117	0	0	0	0
Facilities	Upgrade	School Crossing Supervisor Shelters	23	0	0	0	0
Facilities	Upgrade	Major Projects Facilities Budget	0	0	0	0	0
Infrastructure	New	Federal Blackspot Funding	1,000	1,000	0	0	0
Infrastructure	New	Land Development Council Contribution	88	0	0	0	0
Infrastructure	New	Major New Capital Road Projects	541	0	0	0	0
Infrastructure	New	Public Art Program	117	0	0	0	0
Infrastructure	New	Subdivision Contribution	12,868	0	0	12,868	0
Infrastructure	Renewal	Entrances	175	0	0	0	0
Infrastructure	Renewal	Federal Roads to Recovery Funding	1,000	1,000	0	0	0
Infrastructure	Renewal	Major Infrastructure Renewal Projects	11,975	0	0	0	0
Infrastructure	Renewal	Major Rural Roads Infrastructure Works	1,336	0	0	0	0
Infrastructure	Renewal	Street Furniture Renewal Program	175	0	0	0	0
Infrastructure	Upgrade	Landfill Upgrade	2	0	0	0	0
Infrastructure	Upgrade	Public Place Recycling	12	0	0	0	0
Plant & Equipment	New	Library Books	394	0	0	0	0
Plant & Equipment	New	RFID Implementation - Ballarat Libraries	61	0	0	0	0
Plant & Equipment	Renewal	BAC Programmable Assets & Equipment	94	0	0	0	0
Plant & Equipment	Renewal	Desktop Replacement Program	431	0	0	0	0
Plant & Equipment	Renewal	Home Care Service hand held pPC replacement program	50	0	0	0	0
Plant & Equipment	Renewal	IT Infrastructure Strategy	428	0	0	0	0
Plant & Equipment	Renewal	Outdoor Pools	146	0	0	0	0
Plant & Equipment	Renewal	Parking Meter Replacement Program	70	0	0	0	0
Plant & Equipment	Renewal	Playground Improvement Program	47	0	0	0	0
Plant & Equipment	Renewal	Replacement Bins Program	351	0	0	0	0
Plant & Equipment	Upgrade	Fleet	2,389	0	0	0	360
Plant & Equipment	Upgrade	IT System Development	844	0	0	0	0

2017/18							
Category	New / renewal	PROJECT DESCRIPTION	Cost	Grants	Other	Subdivision	Sale
Recreation	New	Bicycle Strategy Projects	269	0	0	0	0
Recreation	Renewal	Ballarat Botanical Gardens - Asset Renewal Program	58	0	0	0	0
Recreation	Renewal	Parks Development Program	304	0	304	0	0
Recreation	Renewal	Recreation Capital Improvement Program	4,499	0	0	0	0
Recreation	Upgrade	Playspace Planning Framework	292	0	0	0	0
			42,970	2,000	304	12,868	360

Financial Performance Indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast	Budget	Strategic Resource Plan		
			Actual 2013/14	2014/15	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18
Operating position							
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-3.60%	-1.10%	-1.95%	0.24%	0.35%
Liquidity							
Working capital	Current assets / Current liabilities	2	117%	125%	130%	155%	181%
Unrestricted cash	Unrestricted cash / Current liabilities		69%	73%	73%	95%	117%
Obligations							
Loans and borrowings	Interest bearing loans and borrowings / Rate revenue	3	46%	42%	38%	34%	31%
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		7%	8%	7%	7%	6%
Indebtedness	Non-current liabilities / Own source revenue		25%	24%	23%	23%	22%
Asset Renewal	Asset renewal expenses / Depreciation	4	58%	63%	76%	65%	66%

			Forecast		Strategic Resource Plan		
			Actual	Budget	Projections		
Indicator	Measure	Notes	2013/14	2014/15	2015/16	2016/17	2017/18
Stability							
Rates concentration	Rate revenue / Adjusted underlying revenue	5	57%	56%	57%	58%	59%
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.49%	0.50%	0.54%	0.58%	0.62%
Efficiency							
Expenditure level	Total expenditure / no. property assessments		281%	298%	318%	329%	347%
Revenue level	Residential rate revenue / No. of residential property assessments		1,152	1,152	1,152	1,152	1,152
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		9.3%	9.12%	8.99%	8.87%	8.74%

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2014/15 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

3 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

4 Asset renewal - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.